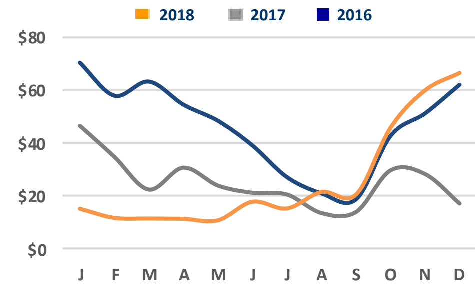
WEBER WEEKLY TANKER REPORT

WEEK 49 – 7 DECEMBER 2018 **ISSUE 49 – 2018**

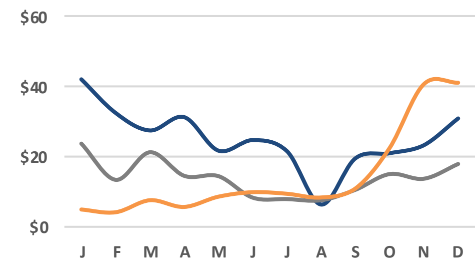
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	30-Nov		7-Dec	
AG>USG 280k	40.0	--	38.0	--
AG>SPORE 270k	100.0	$67,619	93.0	$61,358
AG>JPN 265k	95.0	$68,132	90.0	$63,494
AG>CHINA 270k	97.5	$63,850	93.0	$59,908
WAFR>CHINA 260k	100.0	$67,544	92.5	$60,470
USG>SPORE 270k	$7.90m	$61,753	$7.90m	$61,814
AG>USG/USG>SPORE/AG	--	$77,161	--	$75,656
VLCC Average Earnings		*$67,800*		*$62,976*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	122.5	$40,358	110.0	$34,370
WAFR>UKC 130k	125.0	$35,132	115.0	$30,601
BSEA>MED 140k	160.0	$55,859	160.0	$55,863
CBS>USG 150k	135.0	$61,591	105.0	$41,044
USG>UKC 130k	110.0	--	97.5	--
CBS>USG/USG>UKC/WAFR	--	$51,595	--	$38,839
AG>USG 140k	65.0	--	57.5	--
USG>SPORE 130k	$4.60m	--	$4.40m	--
AG>USG/USG>SPORE/AG	--	$44,535	--	$40,142
Suezmax Average Earnings		*$44,532*		*$39,766*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	130.0	$28,499	185.0	$64,470
BALT>UKC 100k	107.5	$32,943	145.0	$56,140
CBS>USG 70k	120.0	$12,029	135.0	$17,084
USG>UKC 70k	105.0	--	117.5	--
CBS>USG/USG>UKC/NSEA	--	$25,443	--	$32,075
MED>MED 80k	195.0	$46,924	195.0	$46,924
AG>SPORE 70k	170.0	$30,006	157.5	$26,756
Aframax Average Earnings		*$29,556*		*$40,939*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	150.0	$13,444	150.0	$13,578
CONT>USG 55k	135.0	$14,943	140.0	$16,311
ECU>USWC 50k	275.0	$36,098	270.0	$35,896
Panamax Average Earnings		*$15,740*		*$16,465*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	158.0	$27,609	186.5	$35,646
AG>UKC 80k	$2.10m	$17,296	$2.80m	$31,077
MED>JPN 80k	$2.46m	$17,430	$2.65m	$20,348
AG>UKC/MED>JPN/AG	--	$25,678	--	$34,933
LR2 Average Earnings		*$26,966*		*$35,408*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	147.0	$15,909	180.5	$22,833
AG>UKC 65k	$1.63m	$11,379	$1.96m	$17,821
UKC>WAFR 60k	146.0	$11,545	170.5	$16,043
AG>UKC/UKC>WAFR/AG	--	$19,728	--	$26,828
LR1 Average Earnings		*$17,819*		*$24,830*
MR (13.0 Kts L/B)				
UKC>USAC 37k	190.0	$17,184	200.0	$19,078
USG>UKC 38k	170.0	$14,889	205.0	$20,900
USG>UKC/UKC>USAC/USG	--	$25,547	--	$31,404
USG>CBS (Pozos Colorados) 38k	$775k	$34,311	$825k	$37,770
USG>CHILE (Coronel) 38k	$1.50m	$23,816	$1.75m	$31,115
CBS>USAC 38k	180.0	$18,281	220.0	$25,553
WCIND>JPN/ROK>SPORE/WCIND	--	$14,146	--	$19,796
MR Average Earnings		*$20,969*		*$25,955*
Handy (13.0 Kts L/B)				
MED>EMED 30k	196.0	$23,905	212.5	$28,104
SPORE>JPN 30K	144.0	$7,035	152.5	$8,233
Handy Average Earnings		*$13,120*		*$15,387*

Average Earnings weighted proportionally to regional activity share of each size class' worldwide market (including routes not necessarily shown above).

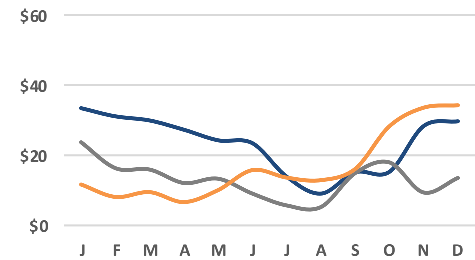
Time Charter Market *$/day (theoretical)*	1 Year	3 Years
VLCC	$37,000	$38,000
Suezmax	$23,000	$25,000
Aframax	$18,500	$21,500
Panamax	$14,000	$16,500
MR	$13,750	$14,500
Handy	$12,250	$13,000



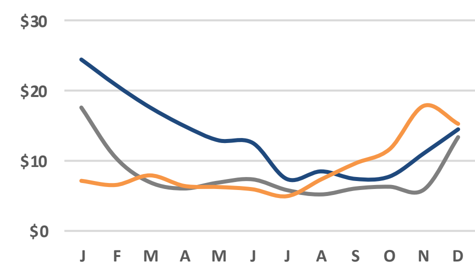
VLCC Average Earnings	MTD Average	Month y/y
	~$66,667/Day	▲ +288%



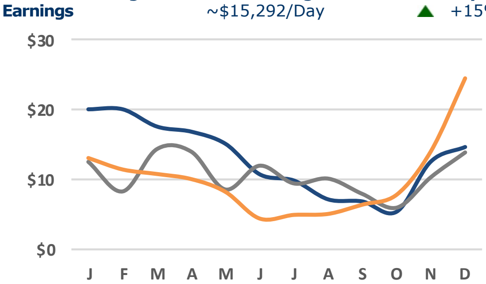
Suezmax Average Earnings	MTD Average	Month y/y
	~$41,063/Day	▲ +131%



Aframax Average Earnings	MTD Average	Month y/y
	~$34,159/Day	▲ +155%



Panamax Average Earnings	MTD Average	Month y/y
	~$15,292/Day	▲ +15%



MR Average Earnings	MTD Average	Month y/y
	~$24,492/Day	▲ +78%

WEBER WEEKLY TANKER REPORT

SPOT MARKET SUMMARY

VLCC

Rates in the VLCC market rose to fresh YTD highs early during the week on a tight prevailing supply/demand positioning following last week's surge in demand. A slowing thereof, however, saw rates retreat at the close of the week amid waning sentiment. This came even as fundamentals actually tightened, thus raising the prospect of a rebound during the upcoming week.

A total of 30 fixtures were reported in the Middle East market, marking a 25% w/w decline. Meanwhile, the West Africa market observed just a third of last week's tally with just three units reported fixed. The Atlantic Americas yielded just two fixtures, or half last week's tally. Fundamental strengthened irrespectively, as evidenced by a successive narrowing of surplus supply in the Middle East market as the December program progresses. Whereas November concluded with 14 surplus units, the surplus slipped to nine in December's first decade and to six in the month's second decade; we project that it will slip further still during the third decade, to just five units, or a fresh low in the current cycle.

A rebound in activity during the upcoming week could help to hasten rate gains that reflect the tighter fundamentals. Reports this week indicating that Unipec plans to resume imports of US crude raise the specter of a rise in demand in the Atlantic Americas to cover corresponding cargoes. A negotiating period ending on March 1 implies that cargoes will need to be fixed and imported in the interim. Given normal forward fixing and a voyage duration of nearly two months, limited time remains to cover any fresh cargoes to be imported by China by March, suggesting a potential imminent rise in associated fixture demand.

Meanwhile, the OPEC+ agreement announced Friday calls for production cuts of 1.2 Mb/d from an October base to be distributed two-thirds to OPEC producers and the balance to a non-OPEC group led by Russia. Given that production surged during November from October, the implications may be less pronounced than some participants had feared. Iran, Venezuela and Libya are exempted from cuts, though the former two are expected to observe independent output declines amid US sanctions on Iran over its nuclear program and worsening mismanagement of energy resources by the Venezuelan regime. Saudi Arabia appears to be shouldering an outsized portion of the OPEC cuts having indicated January production of 10.2 Mnb/d which represent a 4.7% reduction from October production of 10.7 Mnb/d. November production stood at 11.1 Mnb/d. Absent greater granularity about how the remainder of the cuts will be distributed, we note that the development may prove positive for the VLCC market by pushing Asian crude buyers further afield to the Atlantic basin. Indeed, US crude production continues to rise with a y/y gain of 1.16 Mnb/d projected by the EIA during 2019 (other sources expect gains of as much as 2.0 Mnb/d).

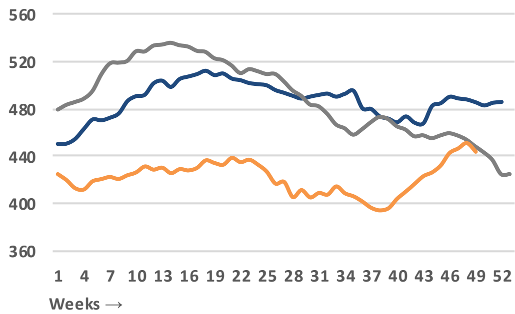
Middle East

Rates on the AG-CHINA route shed 4.5 points to conclude at ws93 with corresponding TCEs falling 6% to ~$59,908/day. Rats to the USG via the Cape shed two points to conclude at ws38. Triangulated Westbound trade earnings were off 2% to ~$75,656/day.

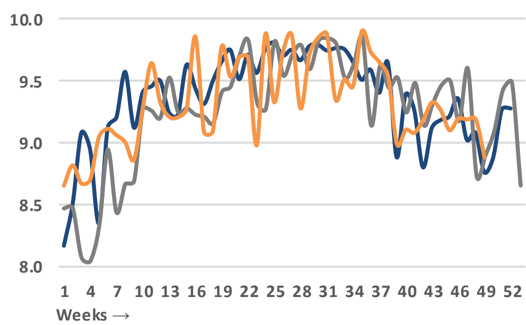
Atlantic Basin

Rates in the West Africa market took their cue from the Middle East. The WAFR-CHINA route shed 7.5 points to conclude at ws92.5 with corresponding TCEs off by 10% to ~$60,470/day.

Rates for voyages commencing in the Atlantic Americas were largely unchanged with the slowing of regional demand countering positive pressure from a tight regional fundamentals setup. The USG-SPORE route was unchanged, accordingly, at $7.90m lump sum.



US Crude Stocks (EIA)	Last Week	Week y/y
	443.2 MnBbls	▼ -1.1%



US Gasoline Demand (EIA)	Last Week	Week y/y
	8.877 MnB/d	▼ -0.2%

2018 2017 2016

Suezmax

Suezmax rates were softer this week on rising availability and a delayed reaction to last week's slow demand – even as fixture activity rebounded this week in key markets. In the West Africa region, sixteen fixtures materialized, marking a w/w gain of 10 fixtures and the most in six weeks. Rates on the WAFR-UKC route shed 10 points to conclude at ws115.

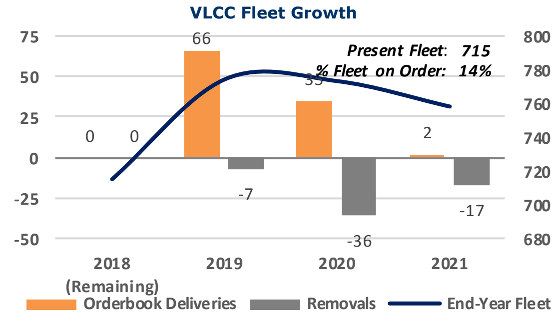
Sustained tightness in the Black Sea market amid ongoing Turkish straits delay issues saw rates remain elevated for the few cargoes that did materialize. The BSEA-MED route was unchanged at ws160, accordingly.

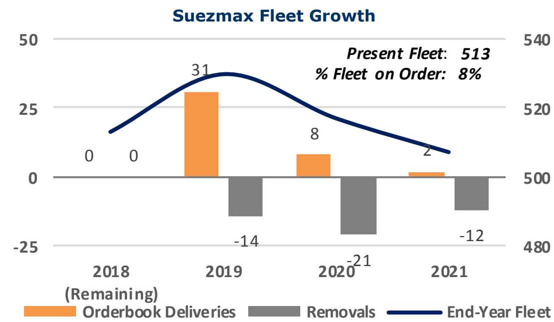
Rates in the Atlantic Americas followed the wider Suezmax rate trend to decline out of step with rates for both larger and smaller counterparts in the region, which were either steady or stronger. Rates on the CBS-USG route shed 30 points to conclude at 150 x ws105 while the USG-UKC route was off by 12.5 points to 130 x ws97.5. The USG-SPORE route lost $200k to $4.40m lump sum.

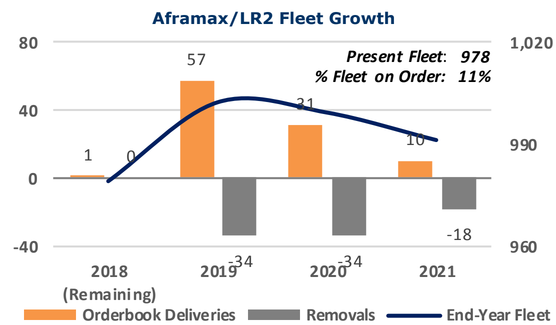
Aframax

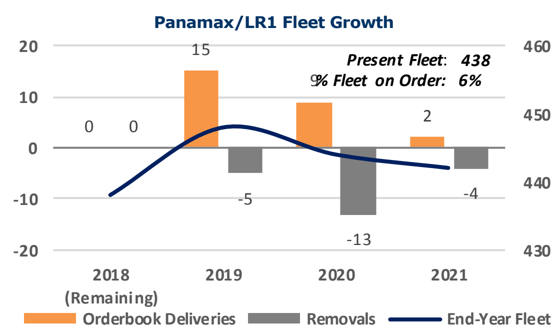
Sustained demand strength in the North Sea and Baltic areas saw European rates remain firm. The NSEA-UKC route added 55 points to conclude at ws185 with corresponding TCEs jumping 126% w/w to ~$64,470/day. The BALT-UKC route posed a gain of 37.5 points to ws145. Demand in the Mediterranean market was slower this week, which initially influenced regional rates lower. The strengthening of rates in alternative European markets ultimately saw those in the Mediterranean rebound, however. The MED-MED route concluded unchanged at ws195, accordingly.

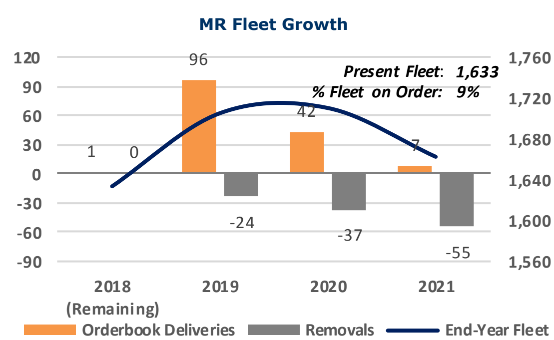
The Caribbean Aframax market saw rates reverse their negative trend on a growing earnings disparity between regional trades and those for voyages in European markets. The CBS-USG route added 15 points to conclude at ws135. TCEs on the route rose 42% to conclude at ~$17,084/day. This compares with a European average of around $55,000/day, raising the specter of further gains even if regional fundamentals fail to prove positive as some units may opt to reposition. Regional demand did prove stronger, however, leaving a tighter position list at the close of the week and furthering the likelihood of successive rate gains during the upcoming week.







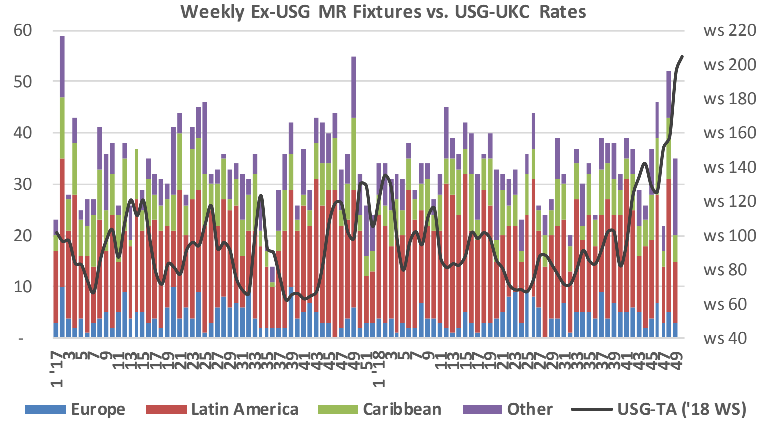




MR

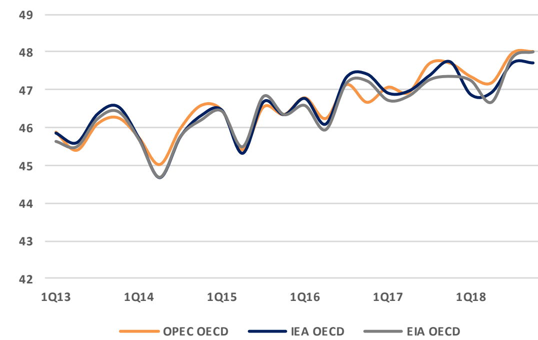
The USG MR market remained tight this week on a slow pace of available tonnage replenishment, allowing rates to extend gains and acheive fresh multiple-year highs. Reported fixture activity moderated from last week's post-Thanksgiving surge; thirty-five fixtures were reported this week, or 33% fewer than last week's, although this was still more than the YTD weekly average. The two-week forward view of available tonnage shows a 17% w/w decline to 20 units. The USG-UKC route added 35 points to conclude at ws205 while the USG-CBS route added $50k to conclude at $825k lump sum and the USG-CHILE route was steady at $1.75m lump sum. We expect that rates will remain strong during the upcoming week amid volatile demand coinciding with industry holiday events.

Weekly Ex-USG MR Fixtures vs. USG-UKC Rates

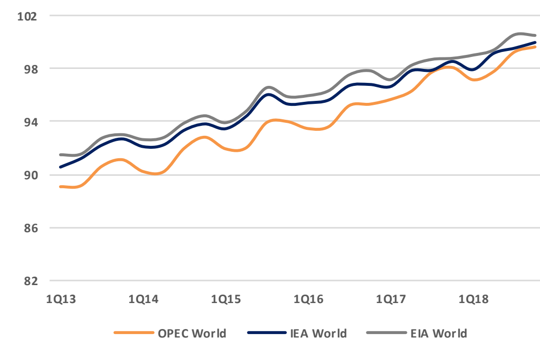


Charles R. Weber Company

Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



REPORTED TANKER SALES

***Jiangsu Rongsheng 1161* –** 156,900/19 – Rongsheng/Newyangzhi – DH
-Sold for $49.5m to Delta Tankers. Existing hull to be shifted to Jiangsu Newyangzhi yard for completion.

Gulf Valour – 114,900/13 – Samsung Geoje – DH
Gulf Vision – 114,900 /12 – Samsung Geoje – DH
-Sold en bloc for $64.0m to undisclosed Greek buyers.

King Darwin – 73,604 /07 – New Times – DH
-Sold for $12.5m to undisclosed buyers.

Unique Developer – 47,366 /10 – Onomichi– DH
-Sold for $17.0m to Celsius Shipping.

Morning Haruka – 47,407 /05 – Onomichi – DH
-Sold for $9.45m to undisclosed buyers.

Ardmore Seatrader – 47,141 /02 – Onomichi – DH
-Sold for $8.2m to undisclosed Sanmar Shipping Ltd.

MR Kentaurus – 46,736 /07 – Sungdong – DH – IMO II/III
-Sold for $13.7m to undisclosed Norwegian buyers.

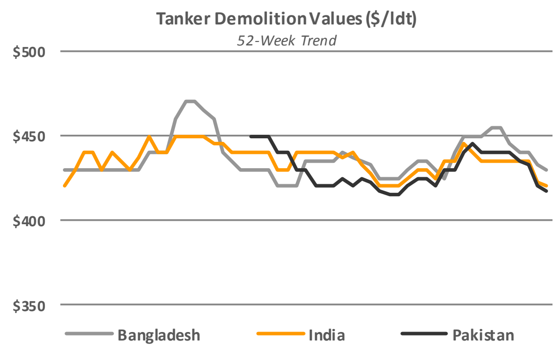
Chemroad Fuji – 33,888 /06 – DH – IMO II/III
-Sold for $9.0m to undisclosed Norwegian buyers.

REPORTED TANKER DEMOLITION SALES

Final Destination: **Unknown**

Moscow River – 106,552 /99 – 16,290 LDT – DH
- Sold for $440.0/ldt. DD/SS due 02/2019 - As is, Singapore - Including 250 MT bunkers.

Moscow University – 106,474 /99 – 16,368 LDT – DH
- Sold for $440.0/ldt. DD/SS due 03/2019 - As is, Singapore - Including 250 MT bunkers.



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